IMT Nuremberg Archives

H – 1232

International Court of Justice

H1232 - 0002

INTERNATIONAL
MILITARY TRIBUNAL

THE INDIVIDUAL RESPONSIBILITY OF THE DEFENDANT
WALTER FUNK
FOR CRIMES AGAINST PEACE AND CRIMES AGAINST HUMANITY

INTERNATIONAL MILITARY TRIBUNAL
NURNBERG, GERMANY
USA Exhibit Trial Brief
Filed

ROBERT H. JACKSON
U.S. CHIEF OF COUNSEL

OF COUNSEL: BERNARD D. MELTZER
Lt. (j.g.) U.S.N.R.

SIDNEY B. JACOBY.

H1232 - 0003

INDEX

		Page No. of Brief	Page No. of Doc.Book
A.	Section of the Indictment	1	
B.	Legal References	2	
C.	Statement of Evidence	4	
D.	Argument and Conclusion	31	
E.	Documents:		
	D-203 - Report of Meeting of Industrialists in Berlin.	6	29-31
	699-PS - Letter from Funk to Hitler, dated 25 Aug. 1939.	29	156
	1039-PS - Report on the Preparatory Work in Eastern European Questions	29, 30	157-160
	1301-PS - Report of a Conference at office of defendant Göring in Reich Aviation Ministry on 14 October 1938.	24-25	117-151
	1760-PS - Affidavit by Mr. Messersmith, 28 August 1945, pp. 2-3.	28	
	1816-PS - Stenographic report of the Meeting on "The Jewish Question" 12 Nov. 1938.	16	51-75
	2194-PS - Letter dated 6 September 1939, enclosing copy of Reich Defense Law of 4 September, 1938.	23	108-114
	2828-PS		
	2962-PS - Minutes of the Conference of Ministers, 15 March, 1933.	7	36-42
	2963-PS - Minutes of the Conference of Ministers, 20 March 1933.	7	43-46
	3324-PS - Berndt and von Wedel: "Germany in the Fight" ("Deutschland im Kampf"), first October issue 1939.	24	115-116
	3501-PS - Affidavit signed by Max Amann.	10	47
	PS-3505 - Paul Oestreich: "Walther Funk - A Life for the Economy" ("Ein Leben fuer die Wirtschaft") 1941.	5, 6, 7, 8, 12-13, 14	4-7 32-35
	3533-PS - Statement of Funk's Positions	5, 10, 11, 22	1
	PS-3545 - Photostatic Copy of page 2 of Frankfurter Zeitung, 17 November 1938,	17-18	76-77
	3562-PS - Letter, 1 June 1939, from Chief Plenipotentiary for the Economy, transmitting minutes of a meeting concerning financing of the war; and memorandum on war finance attached thereto.	25-27, 28	152-155

H1232 - 0004

	Page No. of Brief	Page No. of Doc. Book
3563-PS - Excerpts from German Publications Concerning Defendant Funk's Positions and Activities.	5	2-3
3566-PS - Note for Files, prepared by SS - Scharfuehrer Sigismund, 1 March 1937.	10	48-50

Laws, Decrees and Enactments

1933 Reichsgesetzblatt, I, p. 104 2029-PS 15 March 1933.	9	
1933 Reichsgesetzblatt, I, p. 449 2030-PS 30 June 1933.	9	
1933 Reichsgesetzblatt, I, p. 661 22 Sept. 1933 - 3517-PS 2082-PS	11	
1933 Reichsgesetzblatt, I, p. 713 — 4 Oct. 1933.	12	
1933 Reichsgesetzblatt, I, p. 797 — 1 Nov. 1933.	12	
1933 Reichsgesetzblatt, I, p. 798 — 1 Nov. 1933	11	
1933 Reichsgesetzblatt, I, p. 969 — 9 Nov. 1933 - 3503-PS	11	
1938 Reichsgesetzblatt, I, p. 202 — 12 Feb. 1938 - 3534-PS	15	
1938 Reichsgesetzblatt, I, p. 627 14 June 1938 - 3535-PS —	15, 19	
1938 Reichsgesetzblatt, I, p. 823 6 July 1938 - 3538-PS —	15	
1938 Reichsgesetzblatt, I, p. 1580 12 Nov. 1938 - 3511-PS 1662	16, 17	
1938 Reichsgesetzblatt, I, p. 1581 12 Nov. 1938 - 3510-PS 2694-PS		
1938 Reichsgesetzblatt, I, p. 1642 23 Nov. 1938 - 3539-PS —	18	
1938 Reichsgesetzblatt, I, p. 1709 3 Dec. 1938 - 1409-PS —	18, 19	
1938 Reichsgesetzblatt, I, p. 1902 — 14 Dec. 1938	19	
1939 Reichsgesetzblatt, I, p. 895 — 8 May 1939 - 3506-PS	19	
Vol. in 509 1939 Reichsgesetzblatt, I, p. 1494 27 Aug. 1939	27	

H1232 - 0005

Laws, Decrees and Enactments (Cont.)	Page No. of Brief	Page No. of Doc.Book
val. in 509 1939 Reichsgesetzblatt, I, p. 1498 27 Aug. 1939	27	
" 1939 Reichsgesetzblatt, I, p. 1539 30 Aug. 1939	27	
val. in 509 1940 Reichsgesetzblatt, I, p. 730 4 May 1940 - 3495-PS	19	
V 1940 Reichsgesetzblatt, I, p. 1520 14 Nov. 1940 - 3494-PS	19	
V 1940 Reichsgesetzblatt, I, p. 1564 4 Dec. 1940 - 3509-PS	19	
val. in 509 1942 Reichsgesetzblatt, I, p. 537 22 Aug. 1942 - 3496-PS	19	
21 May 1935, Reich Defense Law 2261-PS	23	
4 Sept. 1938, Reich Defense Law 2194-PS	23	108-114
Decree 17 Sept. 1934, President of the Reich Press Chamber reprinted in Karl Friedrich Schrieber's "Das Recht der Reichskultur-kammer", Vol. 2, 1935, p. 79.	12	
Decree 24 April 1935, President of the Reich Press Chamber reprinted in Karl Friedrich Schrieber's "Das Recht der Reichskultur-kammer", Vol. 2, 1935, pp. 109-112.	12	
Decree 15 April 1936, President of the Reich Press Chamber reprinted in Karl Friedrich Schrieber's "Das Recht der Reichskultur-kammer", Vol. 4, 1936, pp. 101-102.	12	
Decree 22 May 1936, President of the Reich Press Chamber reprinted in Karl Friedrich Schrieber's "Das Recht der Reichskultur-kammer", Vol. 4, 1936, pp. 120-122.	12	
1939 Ministerial Gazette of the Reich and Prussian Ministry of the Interior (Ministerialblatt des Reichs- und Preussischen Ministeriums des Innera) No. 7, p. 265 - 3498-PS	20-21	
Decree 4 Feb. 1938, reprinted in "The Four Year Plan" (Der Vierjahresplan) Vol II, 1938, p. 105 - 3507-PS	22	

H1232 - 0006

	Page No. of Brief	Page No. of Doc. Book
Interrogations of Defendant Funk		
Ashcan Interrogations of Funk on 4 June 1945 and 26 June 1945 - 2828-PS	6	8-28
Interrogation of Funk, dated 22 October 1945, Nurnberg - 3544-PS	21	78-107
Newspapers and other Publications		
Voelkischer Beobachter (South German Edition) 15 March 1933, p.2.	9	
Voelkischer Beobachter (South German Edition) 31 March 1933, p.1 - 3541-PS	9	
Frankfurter Zeitung, 17 Nov. 1938, p.2 PS-3545	17-18	76-77
Berndt and von Wedel: Deutschland im Kampf (Germany in the Fight), October 1939, first instalment, p. 62 - 3324-PS	24	115-116
"Das Deutsche Führerlexikon" (The German Führer's Who's Who) p. 139 - 3489-PS	5, 14	
Eckert: Der Rundfunk als Führungsmittel (Radio as a Means of Leadership) 1941. pp. 44, 46.	14	
Mueller, Georg Wilhelm: Das Reichsministerium fuer Volksaufklaerung und Propaganda (The Reich Ministry for Public Enlightenment and Propaganda) 1940, pp. 30-31 - 3481-PS	13	
Oestreich, Paul: "Walther Funk - Ein Leben fuer die Wirtschaft" (A life for the Economy) 1941, pp. 80, 81,83-84,90-91,94-95 - PS-3505	5, 6, 7, 8, 12-13	4-7 32-35
Quecke, Hans: Das Reichswirtschaftsministerium (The Reichs Ministry of Economics) in "Das Dritte Reich im Aufbau" (Building of the Third Reich) Vol. 5, pp.318-319 (1941) - 3497-PS	20	
Seeger: "Der Film in Nationalsozialistischen Staat (The Film in the National-Socialist State) in Frank: Nationalsozialistisches Handbuch fuer Recht und Gesetzgebung (National Socialist Handbook for Law and Legislation) 1935, 2nd Edition, p. 512.	14	

H1232 - 0007

A. SECTION OF THE INDICTMENT

(APPENDIX A, p.31)

FUNK:

The defendant FUNK between 1932 and 1945 was: a member of the Nazi Party, Economic Adviser of Hitler, National Socialist Deputy of the Reichstag, Press Chief of the Reich Government, State Secretary of the Reich Ministry of Public Enlightenment and Propaganda, Reich Minister of Economics, Prussian Minister of Economics, President of the German Reichsbank, Plenipotentiary for Economy and member of the Ministerial Council for the Defense of the Reich. The defendant FUNK used the foregoing positions, his personal influence, and his close connection with the Fuehrer in such a manner that: he promoted the accession to power of the Nazi conspirators and the consolidation of their control over Germany set forth in Count One of the Indictment; he promoted the preparations for war set forth in Count One of the Indictment; he participated in the military and economic planning and preparation of the Nazi conspirators for Wars of Aggression and Wars in violation of International Treaties, Agreements and Assurances set forth in Counts One and Two of the Indictment; and he authorized, directed and participated in the War Crimes set forth in Count Three of the Indictment and the Crimes against Humanity set forth in Count Four of the Indictment, including more particularly crimes against persons and property in connection with the economic exploitation of occupied territories.

H1232 - 0008

B. LEGAL REFERENCES

I. JURISDICTION AND GENERAL PRINCIPLES

Article 6. The Tribunal established by the Agreement referred to in Article 1 hereof for the trial and punishment of the major war criminals of the European Axis countries shall have the power to try and punish persons who, acting in the interests of the European Axis countries, whether as individuals or as members of organizations, committed any of the following crimes.

The following acts, or any of them, are crimes coming within the jurisdiction of the Tribunal for which there shall be individual responsibility:

(a) CRIMES AGAINST PEACE: namely, planning, preparation, initiation or waging of a war of aggression, or a war in violation of international treaties, agreements or assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing;

(b) WAR CRIMES: namely, violations of the laws or customs of war. Such violations shall include, but not be limited to, murder, ill-treatment or deportation to slave labor or for any other purpose of civilian population of or in occupied territory, murder or ill-treatment of prisoners of war or persons on the seas, killing of hostages, plunder of public or private property, wanton destruction of cities, towns or villages, or devastation not justified by military necessity;

(c) CRIMES AGAINST HUMANITY: namely, murder, extermination, enslavement, deportation, and other inhumane acts committed against any civilian population, before or during the war; or persecutions on political, racial or religious grounds in execution of or in connection with

H1232 – 0009

any crime within the jurisdiction of the Tribunal, whether or not in violation of the domestic law of the country where perpetrated.

Leaders, organizers, instigators and accomplices participating in the formulation or execution of a common plan or conspiracy to commit any of the foregoing crimes are responsible for all acts performed by any persons in execution of such plan.

H1232 - 0010

C. STATEMENT OF EVIDENCE

The evidence discussed below will establish that defendant FUNK was involved in the whole cycle of the conspirators' program. It will show that he was a central figure in the Nazi conspiracy and that he was aware of, and actively promoted, the realization of all its ends. The evidence will make it clear that defendant FUNK actively promoted the conspirators' accession to power and the consolidation of their control over Germany, and this with full knowledge of the fact that the realization of the conspirators' program which had been openly announced by the Nazi Party and by Hitler, and which he himself helped to formulate, envisaged the use of ruthless terror and force within and, if necessary,outside of Germany.

The evidence will also establish that, becuase of his activities as Undersecretary of the Ministry of Public Enlightenment and Propaganda - one of the most vicious of Nazi institutions - and as Minister of Economics, defendant FUNK shares special responsibility for the unrelenting persecution of Jews and others deemed undesirable by Nazi standards, for psychologically mobilizing the German people for war and for weakening the willingness and capacity of the conspirators' intended victims to resist aggression.

It will also be plain from the evidence that, with full knowledge of the conspirators' plans for aggression, defendant FUNK, in his capacities as Minister of Economics, President of the Reichsbank, and Chief Plenipotentiary for Economics, mobilized the German economy for aggressive war. In these capacities and as a member of the Ministerial Council for Defense and the Central Planning Board, he also actively participated in the waging of aggressive war. Finally, by virtue of his membership in the Central Planning Board, which formulated and directed the execution of the program for the enslavement, the exploitation and the degradation of millions of foreign workers, defendant FUNK also shares special responsibility for the Nazi slave labor program. The French Prosecution will, it is understood, deal with this aspect of defendant FUNK'S individual responsibility in detail.

H1232 - 0011

It is also understood that both the French and Soviet prosecutors will submit evidence showing defendant FUNK'S special responsibility for the criminal looting of the resources of occupied countries.

I. DEFENDANT FUNK ACTIVELY PROMOTED THE CONSPIRATORS' ACCESSION TO POWER (COUNT ONE, IV, especially (A), (B), (C), (D) 2, 3(a)).

A statement of defendant FUNK'S positions and activities is included in Document No. 3533-PS which is set forth in Appendix A of this brief. Defendant FUNK, although he signed this statement, inserted several reservations and denials with respect to certain of the positions and activities. Defendant FUNK'S submissions in this connection, which are indicated on the face of Document No. 3533-PS, should be evaluated in the light of the statements set forth in Document No. 3563-PS, which is also included in Appendix A. That document collects relevant excerpts from German publications, of which this Tribunal may properly take judicial notice.

An examination of this document will reveal that these German publications directly contradict every contention which FUNK has made with respect to his holding the positions and carrying on the activities which were listed in Document 3533-PS. For example, in his comment concerning item (b) of Document No. 3533-PS, defendant FUNK denies that he was Hitler's Personal Economic Adviser during the 1930's. On the other hand, Document No. 3563-PS (at p.1) quotes four German publications, each of which states unequivocally that defendant FUNK was Hitler's Personal Economic Adviser.

As is indicated by the documents discussed above, defendant FUNK, soon after he joined the Nazi Party in 1931, began to hold important positions in the Party and soon qualified as one of the Nazi inner circle. Thus, he promptly became not only Hitler's Personal Economic Adviser, but

H1232 - 0012

also Chief of the Economic Division of the Central Nazi Party Directorate and Chairman of the Party's Committee on Economic Policy.

3533-PS. Statement of FUNK'S Positions.

In these capacities, he advanced the Party's drive for mass support by drafting its economic slogans. In 1932, for example, he wrote a pamphlet entitled "Economic Reconstruction Program of the NSDAP", which, after its approval by Hitler, became the Party's official pronouncement on economic matters.

Oestreich, "Walther Funk", p.81: English translation in 3505-PS, p.1.

Defendant Funk also served as the liaison between the Nazi Party and the large industrialists from whom he obtained financial and political support on Hitler's behalf.

Oestreich, "Walther Funk", pp.83-84; English translation in 3505-PS, pp. 1-2.

2828-PS, Ashcan Interrogation of GOERING, FUNK and von Krosigk, 4 June, 1945, p.43; pp.2-3 of the German translation.

Thus, for example, he was present at the meeting of approximately 25 leading industrialists held in Berlin on 20 February 1933.

Id., p.112; p.23 of the German translation.

In the course of this meeting, which was arranged by defendant GOERING and attended by defendant FUNK among others, and which was designed to obtain the industrialists' financial and political support for the Nazi program, Hitler and GOERING announced some of the fundamental Nazi objectives; the destruction of the parliamentary system in Germany, the crushing of all internal opposition by force, the restoration of the power of the Wehrmacht; in addition, Hitler indicated that force was to be used in solving problems with other nations.

D-203, Report of Meeting of Industrialists in Berlin; excerpts quoted in Official Transcript of the proceedings before this Tribunal (hereinafter called "Official Transcript") 23 November 1945, pp.284 and 286.

The financial and political support for the Nazis which defendant FUNK secured from industry promoted the campaign of force and terror by which the Nazis seized and consolidated their control of Germany. The importance of FUNK'S general contribution to the conspirators' accession to power has been described in a book published by the Central Publishing House of the Nazi Party.

> "No less important than FUNK'S accomplishments in the programmatic field in the years 1931 and 1932 was his activity of that time as the Fuehrer's liaison man to the leading men of the German economy in industry, trade, commerce and finance. On the basis of his past work, his personal relations to the German economic leaders were broad and extensive. He was now able to enlist them in the service of Adolf Hitler, and not only to answer their questions authoritatively, but to convince them and win their backing for the Party. At that time, that was terribly important work. Every success achieved meant a moral, political, and economic strengthening of the fighting force of the Party and contributed toward destroying the prejudice that National Socialism is merely a party of class hatred and class struggle."
>
> Oestreich, "Walther Funk", pp. 83-84; English translation in PS-3505, pp. 1-2.

After he had helped Hitler become Chancellor, defendant FUNK, as Reich Press Chief, participated in the early cabinet meetings, in the course of which the conspirators determined upon the means by which they would secure the passage of the Enabling Act and destroy parliamentary government in Germany.

> PS-2962, p.1. Minutes of the Conference of Ministers, 15 March 1933.
>
> PS-2963, p.2. Minutes of the Conference of Ministers, 20 March 1933: (discussed in the proceedings before the Tribunal, Official Transcript, 23 November 1945, pp.17-20).

As is indicated on the pages of the record just cited, this law destroyed civil liberties in Germany and marked the conspirators' seizure of political control.

H1232 - 0013

II. DEFENDANT FUNK, BY VIRTUE OF HIS ACTIVITIES IN THE MINISTRY OF PROPAGANDA, ACTIVELY PARTICIPATED IN THE CONSOLIDATION OF THE CONSPIRATORS' CONTROL OVER GERMANY, AND SHARES SPECIAL RESPONSIBILITY FOR THE PERSECUTION OF DISSIDENTS AND JEWS, THE PSYCHOLOGICAL MOBILIZATION OF THE GERMAN PEOPLE FOR WAR, AND THE WEAKENING OF THE CAPACITY AND WILLINGNESS OF THE CONSPIRATORS' INTENDED VICTIMS TO RESIST AGGRESSION.

(COUNT ONE, especially D2, 3.(a), (e); COUNT TWO: COUNT FOUR).

The record already shows that the Nazis created a vast propaganda machine which they used to proclaim the doctrine of the master race, to pour out venom against the Jews, to impose the leadership principle upon the German people, to glorify war as a noble activity, to create the social cohesion necessary for war, and to weaken the capacity and willingness of their intended victims to resist aggression.

U. S. Exhibit E, entitled "Propaganda, Censorship and Supervision of Cultural Activities," discussed in Official Transcript, 23 November 1945, p. p. 259-269.

See also Official Transcript, 3 December 1945, pp. 779-789.

The operation of this propaganda machine was principally the responsibility of the Ministry of Public Enlightenment and Propaganda, one of the most vicious of Nazi institutions. Defendant FUNK played a significant role in the operations of that Ministry, and in related agencies of the Nazi State. On 30 January 1933, the day on which Hitler became Reich Chancellor, FUNK was appointed Press Chief of the Reich Government. In that capacity, and even after the establishment of the Ministry of Public Enlightenment and Propaganda, he reported regularly to Hitler and President von Hindenburg.

Oestreich, "Walther Funk", pp. 90-91; English translation in PS-3505, p. 2.

3501-PS, Affidavit of Max Amann, 19 December 1945, quoted infra, p. 10.

On 13 March 1933, the Reich Ministry of Public Enlightenment and Propaganda was established with Goebbels as its Chief and FUNK as its under-Secretary.

H1232-0014

H1232-0015

Reichsgesetzblatt, 1933, I, 104: Voelkischer Beobachter 15 March 1933, p.2. (South German Edition).

Defendant FUNK in an interview with a reporter from the Voelkischer Beobachter, on March 30 1933, made clear the importance which propaganda was to have in the Nazi State. He stated:

> "Propaganda is the most modern instrument of power and fighting weapon of state policy. The establishing of the Propaganda Ministry is vital, for the national political policy of the new State Leadership is to be the general good of the whole people. Therefore, the total political, artistic, cultural and spiritual life of the nation, must be brought on to one level and directed from one central point."
>
> Voelkischer Beobachter, South German Edition, 31 March 1933, p.1, English translation in 3541-PS, p.1.

In order to achieve this purpose, the Ministry of Enlightenment and Propaganda was organized so as to reach and control every medium of expression within Germany. In the language of the decree defining the duties of the Minister of Propaganda, he was to have "jurisdiction over the whole field of spiritual indoctrination of the nation, of propagandizing the State, of cultural and economic propaganda, of enlightenment of the public at home and abroad; furthermore, he is in charge of all institutions serving these purposes."

> Decree concerning the duties of the Reich Ministry for Public Enlightenment and Propaganda, 30 June 1933, Reichsgesetzblatt, 1933, I, p.449; English translation in PS-2030.

Under this decree, the Ministry controlled propaganda abroad, propaganda within Germany, the press, music, the theater, films, art, literature, radio and all related institutions.

Defendant FUNK as has been stated, discharged important responsibilities in the Ministry. As Under-secretary, he was Goebbels' chief aide. In this capacity he appears to have been the primary organiser of the vast and intricate machine from which flowed the endless output of Nazi propaganda. This is made

clear by the following excerpt from an affidavit dated December 19, 1945, and signed by Max Amann, who held the position of Reich leader of the Press and President of the Reich Press Chamber.

> "In carrying out my duties and responsibilities, I became familiar with the operations and the organization of the Reich Ministry of Propaganda and Enlightenment.
>
> Walther Funk was the practical minister of the Ministry of Propaganda and Enlightenment and managed the Ministry. Funk was the soul of the Ministry, and without him Goebbels could not have built it up. Goebbels once stated to me that Funk was his "most effective man". Funk exercised comprehensive control over all of the media of expression in Germany: over the press, the theater, radio and music. As Press Chief of the Reich Government and subsequently as Under Secretary of the Ministry, Funk held daily meetings with the Fuehrer and a daily press conference in the course of which he issued the directives governing the materials to be published by the German press".

PS-3501. Affidavit of Max Amann, December 19, 1945.

A note for the files prepared by one, Sigismund, an SS Scharfuehrer, also stresses the important role which defendant FUNK played in the Ministry of Propaganda.

> 3566-PS, Note for Files, prepared by Sigismund, dated 1 March 1937.

That note records a discussion between Sigismund and one, Weinbrenner, an official of the Ministry of Propaganda, about the selection of a General Manager for the German Radio. The note states:

> "Weinbrenner made the following statement:..... it is almost impossible to determine whom the Minister would name General Manager, since Dr. Goebbels reaches most of the important decisions only by agreement with Under Secretary Funk."
>
> Id. pp.1 and 1A.

In addition to his position as Undersecretary, FUNK had many other important responsibilities in subordinate offices of the Ministry for Propaganda.

3533-PS, supra, items g to m.

H1232 – 0016

H1232 - 0017

In 1933, for example, he was appointed Vice President of the Reich Chamber of Culture, whose President was Goebbels

Ibid.

Decree of 1 November 1933. Reichsgesetzblatt 1933, I, p.798.

Defendant FUNK's position as Vice President of the Reich Chamber of Culture was related to his position as Undersecretary of the Ministry, since the Chamber of Culture and the seven subordinate chambers were by law subject to the control of the Ministry of Propaganda.

Law of Reich Chamber of Culture, 22 September 1933, Reichsgesetzblatt 1933, I p.661; partial English translation in 3517-PS.

This control was insured in practice by placing officers of the Ministry of Propaganda in the highest positions of the Chambers. Thus, for example, Goebbels was its President and, as has been stated, FUNK, its Vice President. By virtue of his dual position, FUNK directly promoted two fundamental and related Nazi policies: (1) the regimentation of all creative activities in the interest of Nazi political and military objectives: (2) the elimination of Jews and dissidents from the so-called cultural professions.

The mechanics by which these policies were carried out have been fully described in the brief (Brief E) entitled "Propaganda, Censorship and Supervision of Cultural Activities" (at pp. 13-15), which has been submitted to this Tribunal. That description will be supplemented here only by reference to the second decree for the Execution of the Law of Reich Chamber of Culture, dated 9 November 1933.

Reichsgesetzblatt 1933, I, p.969; English translation in 3503-PS

This decree, which was signed by defendant FUNK, representing Goebbels, fixed the effective date for the entire scheme for the domination and purging of the cultural professions.

H1232-0018

The control of the Ministry of Propaganda was based in part on the requirement that persons engaged in so-called "cultural activities" belong to the appropriate Chamber.

> Decree of 1 November, 1933, sections 4-13, Reichs-gesetzblatt, 1933, I, p. 797.

Decrees were then passed which prescribed standards of admission to these Chambers, which automatically excluded Jews. For example, in the field of journalism, "only persons who were of Aryan descent and not married to a person of non-Aryam descent" were permitted to be so-called Schriftleiter, that is, to perform any work relating to the contents of a newspaper or a political magazine.

> Schriftleitergesetz, 4 October 1933, Reichsgesetzblatt 1933, I, p.713, sections 1 and 5.

Similarly, newspaper publishers had to submit proof tracing their Aryan descent (and that of their spouses) as far back as the year 1800.

> Decree 24 April 1935, issued by the President of the Reich Press Chamber, Article 1, 3 and Article II, 1(f) and 2, reprinted in Karl Friedrich Schrieber in "Das Recht der Reichskulturkammer", vol.2, 1935, pp. 109-112.
>
> Decrees 15 April and 22 May 1936 issued by the President of Reich Press Chamber reprinted in Karl Friedrich Schrieber "Das Recht der Reichskulturkammer", vol.4, 1936, pp. 101-102, 120-122.
> See also:
> Decree 17 September 1934 reprinted in Karl Friedrich Schrieber's "Das Recht der Reichskulturkammer", vol 2, 1935, p. 79.

In view of defendant FUNK'S official positions and the policies which he advanced, it is natural that Nazi writers have stressed his contribution to the perversion of German culture.

Thus Oestreich's biography of FUNK states:

> "Besides Funk has as a special duty from his Ministry received the task to take care of the cultural life. In this position he organized quietly a tremendous concern which represented an investment of many hundreds of millions. In close co-operation with the Reich Leader of the press, Max Amann, the economic fundamentals of the German press were reconstructed according to the political necessities. The same took place in the film industry and in other cultural fields."

H1232 - 0019

Cestreich, "Walther Funk", pp.94-95;
English translation in PS-3505, p.3.

The reconstruction of "the economic fundamentals of the German press..... and other cultural fields" was a biographer's euphemism for the relentless elimination of Jews and dissidents from the field of literature, music, theater, journalism, broadcasting and the arts.

The completeness with which the policy of cultural extermination was carried out is made clear by a pamphlet entitled "The Reich Ministry for Public Enlightenment and Propaganda", by Georg Wilhelm Mueller, an official on the Ministry of Propaganda, which was published by the German Academy for Politics as part of a series on the organization of the Nazi Government. That pamphlet states:

> "The Department Special Cultural Tasks (a department within the Ministry of Propaganda) serves mainly the purpose to remove the Jews from cultural professions. It reviews the political attitude of all artistic or cultural workers and cultural economic enterprises that are members of the seven individual chambers of the Reich Chamber of Culture (except the Reich Chamber of the Press), it has to supervise the removal of Jews in the entire field of the seven individual chambers and settles as highest authority all complaints and appeals of cultural workers whose membership was rejected by the Chamber because of lack of proof of Aryan descent. At the same time, it is the task of this department to supervise the activities of non-Aryans in the intellectual and entire cultural field, therefore, also the supervision of the only Jewish organisation in the cultural field in the entire Reich territory, that is, "the "Jewish Kulturbund"(Jewish Cultural Association).
>
> In this way this department also cooperates with all other professional departments of the Ministry or the Chambers by consulting the local officials of the party, the State police offices, etc, and when supervising the Jewish "cultural work" with the political police.
>
> It is mainly the merit of this department - up to 1937 a department in the Managing Office of the Reich Chamber of Culture that the purge of the entire German cultural life from Jewish or other non-German influences was completely accomplished according to the assignments of the Minister".

Das Reichsministerium fuer Volksaufklaerung und Propaganda (Reich Ministry of Public Enlightenment and Propaganda) pp.30-31; English translation in 3481-PS, p.1.

Defendant FUNK contributed to the achievement of the Nazi propaganda program in other capacities. Thus, in 1933, Goebbels

appointed him to the position of Chairman of the Board of Directors of the Reich Broadcasting Company.

Oestreich,"Walther Funk", p.93;
English translation in PS 3505; pp.2-3.

That company was the coordinating authority for all German radio broadcasting and supervised all German radio stations, with a view to insuring that radio served the political purposes of the Nazi State.

Das Deutsche Fuehrerlexikon, 1934-1935,
p.139;
Oestreich, p.93.
Eckert: Der Rundfunk als Fuehrungsmittel.
(Radio as a Means of Leadership) 1941,
pp.44, 46; English translation in 3537-PS.

Moreover, in 1933, defendant Funk was also appointed Vice-president of the Filkkreditbank. The Filmkreditbank was a government-controlled financing corporation which influenced film production in the interests of the Nazi program by granting financial assistance in connection with only those films deemed desirable from the Nazi point of view.

Seager, Der Film im Nationalsozialistischen Staat
(The Film in the National-Socialist State), in
Frank: Nationalsozialistisches Handbuch fuer Recht
und Gesetzgebung (National Socialist Handbook for
Law and Legislation), 1935, 2nd edition, p.512.

It is clear from the foregoing evidence that defendant FUNK was from 1933 until the end of 1937 a versatile and key figure in the propaganda field. His activities ranged from daily conferences with the Fuehrer and the organization of a new large Ministry vital to the Nazi program, to depriving the most humble Jewish artist of his power to earn a livelihood. Goebbels' appraisal appears mirabile dictu to have been a just one - defendant FUNK appears to have been Goebbels' "most effective man".

H1232 - 0020

H1232 - 0021

III. DEFENDANT FUNK, AS MINISTER OF ECONOMICS, CONTINUED TO ADVANCE THE CONSPIRATORS' PROGRAM FOR THE PERSECUTION OF THE JEWS BY ACTIVELY PARTICIPATING IN THE PLANNING AND EXECUTION OF THE MEASURES WHICH ELIMINATED THE JEWS FROM THE GERMAN ECONOMY.

(COUNT FOUR)

Evidence of the systematic, comprehensive and relentless anti-Jewish program of the Nazi conspirators has already been incorporated into the record.

Official Transcript, 13 and 14 December 1945. pp.1432-1509.

The evidence discussed below shows that defendant FUNK, by virtue of his activities as Minister of Economics, bears a heavy and direct responsibility for the planning and execution of that part of the larger program of persecution which was directed at the exclusion of the Jews from the German economy.

The first record of FUNK'S anti-Jewish activities as Minister of Economics consists of a series of decrees which he signed and which were designed to exclude the Jews from various occupations, such as real estate business, auctioneering, etc. Reference will be made to only a few of these decrees.

> See decree amending trade code of 6 July 1938, Reichsgesetzblatt, 1938, I, p.823; English translation in PS-3538.
>
> Decree concerning occupation of auctioneers, 12 February 1938. Reichsgesetzblatt. 1938,I,p.202; English translation in PS-3534.

Moreover, on 14 June 1938, defendant FUNK signed a decree providing for the registration of "Jewish enterprises".

> Reichsgesetzblatt, 1938, I, p. 627
> English translation in PS-3535.

It will appear below that this decree was part of a system of economic persecution which obliterated Jewish ownership in all commercial, financial and industrial enterprises.

In 1938, the death of von Rath in Paris was exploited by the Nazis as a pretext for intensifying the persecution of the Jews. Their new anti-Jewish policy called for the complete elimination of Jews from the economic life of Germany. Defendant FUNK took a significant part in both the formulation and execution of this policy.

H1232 - 0022

Thus, he was present at the meeting of 12 November 1938, where, with defendant GOERING as the leading spirit, the basis for a more drastic policy against the Jews was established.

> 1816-PS, USA Exhibit No. 261, stenographic report of meeting on the Jewish question, under chairmanship of GOERING, 12 November 1938.

Defendant GOERING described the meeting as a decisive one, and stated "that the Jewish question be now, once and for all, coordinated and solved, one way or another."

Id., p. 1, para 1.

Defendant FUNK came to the meeting with a draft law which he had prepared, and which he submitted with the following explanation:

> "I have prepared a law elaborating that, effective 1 January 1939, Jews shall be prohibited to operate retail stores and wholesale establishments, as well as independent artisan shops. They shall further be prohibited from keeping employees or offering any ready products on the market. Whereever a Jewish shop is operated, the police shall shut it down. From 1 January 1939, a Jew can no longer be employed as an enterpriser, as stipulated in the law for the Organization of National Labor from 20 January 1934. If a Jew holds a leading position in an establishment without being the enterpriser, his contract may be declared void within 6 weeks by the enterpriser. With the expiration of the contract, all claims of the employee, including all claims to maintenance become obliterated. That is always very disagreeable and a great danger. A Jew cannot be a member of a corporation; Jewish members of corporations shall have to be retired by 31 December 1938. A special authorization is unnecessary. The competent Ministers of the Reich are being authorized to issue the provision necessary for the execution of this law."

Id., p. 15.

The substance of defendant FUNK's draft law promptly found its way into the Reichsgesetzblatt. On 12 November 1938, defendant GOERING signed a decree entitled "For the Elimination of Jews from the German Economic Life."

> Reichsgesetzblatt, 1938, I, p. 1580; English translation in 3511-PS.

An examination of the provisions of the decree will reveal how well it deserved its title; thus, Jews were forbidden to operate retail stores or mail order houses, or to engage independently in any handicraft, to offer goods or services at markets, or to take orders therefore (Section I): or to be "leaders" of any industrial enterprise.

That decree also provided that any Jew in an executive position of an industrial enterprise was subject to notice of dismissal (Section 2) and that Jews should be excluded from membership in cooperative organizations (Section 3).

Defendant FUNK was expressly authorized in Section 4 of the decree to issue the regulations necessary for implementing its provisions.

English Translation, Document No. 3511-PS. p. 2

Defendant FUNK was also authorized to issue the regulations in connection with another anti-Jewish decree, also issued on 12 November 1938. This decree provided that all damage done to Jewish enterprises and apartments during the riots of November 8, 9, and 10, was to be repaired by the Jewish owners out of their own pockets, and that claims by German Jews against insurance companies were to be confiscated in favor of the German Government.

Reichsgesetzblatt, 1938, I, p. 1581; English translation in Document No. 3510-PS.

Soon after the passage of the decree of November 12, defendant FUNK, in a speech which he delivered on the Jewish question, made it clear that the program of economic persecution was a part of the larger program of extermination and boasted of the fact that the new program insured the complete elimination of the Jews from the German economy. In the course of this speech, defendant FUNK stated:

> "The state and the economy constitute a unity. They must be directed according to the same principles. The best proof thereof has been rendered by the most recent development of the Jewish problem in Germany. One cannot exclude the Jews from the political life, but let them live and work in the economic sphere. The fact that the last violent explosion of the disgust of the German people, because of a criminal Jewish attack against the German people, took place at a time when we were standing just before the termination of the economic measures for the elimination of the Jews from the German economy - this fact is a result of the other fact that in the last years we had not handled this problem sufficiently early and consistently. In any event, the bases of a complete elimination of the Jews also from the economy had already been laid by the decrees of the Commissioner for the Four Year Plan. General Field Marshal GOERING who was the first to undertake the solution of this problem.' In the meantime, by means of Aryanization, performed under governmental supervision, the Jews had already been excluded completely from the stock exchanges and the banks and almost completely from the large

H1232 - 0023

businesses and all important industrial enterprises. According to estimates, of the net property of approximately 7 billion marks, determined pursuant to the decree for the registration of Jewish property, 2 billion marks have already been transferred into German possession."

PS-3545 - "Frankfurter Zeitung". 17 November 1938, p.2; English translation, p. 1

On December 3, 1938, defendant FUNK again advanced the policy of economic extermination by signing a decree which carried out the promise of the more severe anti-Jewish policy implied in his speech. This decree imposed additional and drastic economic disabilities upon Jews and subjected their property to confiscation and forced liquidation. It provided that: owners of Jewish enterprises could be ordered to sell or liquidate their enterprises (Section 1): trustees could be appointed for such enterprises, with the expenses of trusteeship borne by the owner of the enterprise (Section 2): Jews could be ordered to sell their property (real estate, etc.) (Section 6): they were prohibited from acquiring any real estate (Section 7): governmental consent was required for any disposition of real estate (Section 8): Jews were forced to deposit all stocks, mining shares, bonds and other securities with specially designated banks and accounts had to be marked "Jewish" (Section 11): Jews were forbidden to acquire, to give as security, or to sell objects made of gold, platinum, or silver, precious stones or pearls, etc. (Section 14): and it was provided that payments to the Reich could be demanded for issuing the consent required for the transfer of Jewish property (Section 15).

Reichsgesetzblatt, 1938, I, p. 1709: English translation in 1409-PS.

In addition, many other decrees implementing the program of impoverishing the Jews and of causing their economic ruin, were promulgated over the signature of the Minister of Economics:

Decree, 23 November 1938, Reichsgesetzblatt, 1938, I, p. 1642 signed by Brinkmann acting for FUNK, and containing detailed rules for the liquidation of Jewish retail stores, etc.; English translation in 3539-PS.

H1232 - 0024

H1232 - 0025

Decree, 14 December 1938, Reichsgestzblatt, 1938, 1, p. 1902, also signed by Brinkmann acting for FUNK, and providing detailed rules on the elimination of Jews from industrial enterprises.

Decree, 8 May 1939, Reichsgesetzblatt, 1939, 1, p. 895, signed by Dr. Landfried acting for FUNK, excluding Jews from the occupation of travel agents; English translation in 3506-PS

Decree, 4 May 1940, Reichsgesetzblatt, 1940, 1, p. 730, also signed by Dr. Landfried acting for FUNK, concerning registration of transfers of Jewish property; English translation in 3495-PS.

Decree, 14 November 1940, Reichsgesetzblatt, 1940, 1, p. 1520, also signed by Dr. Landfried acting for FUNK, establishing a procedure for setting aside financial arrangements which Jews discharged from executive positions of industrial enterprises prior to 12 November 1938 had made with their companies; English translation in 3494-PS

Extending certain of the above-described decrees to Austria, see, e.g.:

Decree, 22 August 1942, Reichsgesetzblatt, 1942, 1, p. 537, signed by von Hanneken, acting for FUNK; English translation in 3496-PS

Decree, 4 December 1940, Reichsgesetzblatt, 1940, 1, p. 1564, signed by Dr. Landfried acting for FUNK; English translation in 3509-PS

Defendant FUNK had important responsibilities, not only in the formulation of anti-Jewish policy and in the drafting of anti-Jewish legislation, but also in the administration of the conspirators' anti-Jewish measures. FUNK was the person to whom appeals were made concerning action taken by subordinate officials in the administration of the anti-Jewish economic program. In fact, he was the paramount authority in this field, with his decisions final and conclusive. For example, he had the final voice in the administrative hierarchy set up for deciding whether an enterprise was a Jewish enterprise within the meaning of the decree requiring the registration of such enterprises.

Decree of 14 June 1938, section 9, Reichsgesetzblatt, 1938, 1, p. 628.

See also decree of 3 December 1938, section 19, Reichsgesetzblatt 1938, 1, p. 1711, and

Decree, 14 November 1940, Reichsgesetzblatt, 1940, 1, p. 1520.

H1232 - 0026

Nazi publications have recognized the significant contribution made by defendant FUNK in the execution of the anti-Jewish program. Thus Hans Quecke, an official of the German Ministry of Economics, in describing the work of the Ministry during FUNK'S incumbency, stated:

> "A task of special political significance and economic importance arose as an absolute necessity out of the National Socialist conception of state and economy, namely, the eradication of Jewish influence from the economy. In this connection, a wealth of legislative and administrative work, though temporary, was created for the Ministry. The steps of the work were as follows: definitions of the term 'Jewish enterprise', registration of Jewish property, securing the 'deployment' of such property in accordance with the interests of the German economy, exclusion of Jewish employees from executive positions, and, finally, re-examination of steps taken in the de-Judaization of enterprises with a view to ordering payments to the Reich for the unjust profits secured in the process of de-Judaization. That task can now be considered as practically completed in the field of the industrial economy".
>
> Building of the Third Reich ("Das Dritte Reich im Aufbau"). Vol. 5. pp. 318-319 (1941); English translation in 3497-PS. p. 2.

Moreover, defendant FUNK himself, in the course of administering this program emphasized the importance of his new role. For example, on 6 February 1939, he issued a circular in connection with the administration of the decree of 3 December 1938 which, as had been indicated, he himself signed. In that circular, which was published in the Ministerial Gazette of the Reich and Prussian Ministry of the Interior ("Ministerialblatt des Reichs- und Preussischen Ministeriums des Innern"), for 1939, No. 7, p. 265, defendant FUNK stressed (at p. 265) "the great political and economic importance" of the anti-Jewish program and stated with respect to the broad powers conferred by the decree of 3 December 1938, that:

> "The extent and speed with which they (the powers) will be utilized, is dependent upon my orders, to be given under the general direction of GOERING".

In the same circular (at p. 265) defendant FUNK also emphasized the importance of the laws for de-Judaization, stating:

H1232 - 0027

"The execution of the laws for the exonomic de-Judaization will, for a time, impose extraordinary burdens upon the administrative organization. However, it is expected that the officers charged with the execution, in view of the great political and economic importance of the tasks assigned to them, will bend all their efforts to assure a most rapid, efficient, and in every way faultless execution of the de-Judaization".

PS-3498.

Defendant FUNK, in an interrogation dated 22 October 1945, in Nürnberg, admitted and deplored his responsibility for the economic persecution of the Jews:

"Q. All the decrees excluding the Jews from industry were yours, were they not?

A. ....So far as my participation in this Jewish affair is concerned, that was my responsibility and I have regretted it later on that I ever did participate. The Party had always brought pressure to bear on me previously to make me agree to the confiscation of Jewish property, and I had refused repeatedly. But later on, when the anti-Jewish measures and the force used against the Jews came into force, something legal had to be done to prevent the looting and confiscation of all Jewish property.

Q. You know that the looting and all that was done at the instigation of the Party, don't you?

(Here witness weeps)

A. Yes, most certainly. That is when I should have left in 1938, of that I am guilty, I am guilty. I admit that I am a guilty party here.

3544-PS. pp. 25-26. page 21 of the German translation.

Enough of the document has been quoted to place FUNK'S admissions in their proper context. By quoting the context, it is not of course intended to give any credence to FUNK'S attempts at self-justification.

H1232 - 0028

IV DEFENDANT FUNK WITH KNOWLEDGE OF THE CONSPIRATORS' PLANS FOR AGGRESSION, ACTIVELY PARTICIPATED IN MOBILIZING THE GERMAN ECONOMY FOR AGGRESSIVE WAR: HE ALSO PARTICPATED IN THE WAGING OF AGGRESSIVE WARS AND WAS A MEMBER OF WAR PLANNING AGENCIES WHICH WERE RESPONSIBLE FOR POLICIES AND ACTS CONTRARY TO THE LAWS OF WAR.
(COUNT ONE, especially IV (D), (E), (F), COUNT TWO; COUNT THREE).

Defendant FUNK was vested with, and carried out, major responsibilities in connection with the planning and execution of the Nazi program of economic mobilization for aggression. Thus in 1938 he succeeded defendant SCHACHT as Minister of Economics.

3533-PS, Statement of FUNK's Position. Immediately before defendant FUNK actually took over the Reich Ministry of Economics there was a major reorganization of its functions which integrated the Ministry with the Four Year Plan as the Supreme Command of the German military economy. The reorganization was accomplished by GOERING, in his capacity as Commissar for the Four Year Plan, by a decree dated 4 February, 1938:

> "The Four Year Plan" (Der Vierjahresplan) official monthly bulletin, issued by GOERING, Vol. II, 1938, p. 105; English translation in 3507-PS.

Under this decree, the jurisdiction of the Economics Ministry was defined as covering the following fields of Germany's economy: German raw and working materials, mining, iron industry, power industry, handicrafts, finance and credit, foreign trade, devisien, and exports. As a result of this decree, sectors of the German economy which were strategic in the organization of war and armaments economy were placed under the immediate control of defendant FUNK.

Furthermore, the Reich Office for Economic Development charged by the decree, with "research, planning and execution of the Four Year Plan", was incorporated into the Reich Ministry of Economics. Similarly, the Reich Office for Soil Research and the Office of the Reich Commisar for the exploitation of Scrap

H1232 - 0029

Materials were made subject to that Ministry. Thus, it is clear that the reorganization decree concentrated significant responsibilities in the hands of defendant FUNK and thereby made him one of the chief agents of economic mobilization during a decisive period.

Subsequently, defendant FUNK was, by a secret law, expressly charged with the task of mobilizing the German economy for war. On 4 September, 1938, while the conspirators were engaged in intensive planning for aggression against Czechoslovakia, (see, for example, Official Transcript, 3 December, 1945, p. 762 et seq), Hitler signed a revision of the so-called Reich Defense Law. This law conferred upon defendant FUNK substantially the same authority which had been vested in defendant SCHACHT by the Reich Defense Law of 21 May, 1935.

2261-PS, Reich Defense Law, 21 May, 1935.

The law of 4 September, 1938, provided in part:

> "It is the task of the GBW /Chief Plenipotentiary for Economics/ to put all economic forces into the service of the Reich defense, and to safeguard economically the life of the German nation. To him are subordinate: the Reich Minister of Economics, the Reich Minister of Nutrition and Agriculture, the Reich Minister of Work, the Reich Chief of Forestry, the Reich Commissar for Price Control. He is furthermore responsible for directing the financing of the Reich defense within the realm of the Reich Finance Ministry and the Reich Bank.
>
> The GBW must carry out the demands of the OKW which are of considerable importance for the armed forces; and he must insure the economic conditions for the production of the armament industry directed immediately by the OKW according to its demands. If the demands of the armed forces cannot be brought into accord with the affairs of economy, then the leader and Reich chancellor decides.
>
> The GBW has the right within his sphere to issue laws with the consent of the OKW and GBV which differ from the existing laws."

2194-PS - Reich Defense Law, 4 September, 1938, p. 4

The law of 4 September, 1938, which at the specific direction of Hitler, was not made public, was signed by Hitler, and defendant FUNK, among others, as "Chief Plenipotentiary for Economics".

Id, pp. 6,7.

H1232 - 0030

Defendant FUNK, in a speech which he delivered on 14 October, 1939, explained how he, as Chief Plenipotentiary for Economics, had, for a year and a half prior to the launching of the aggression against Poland, advanced Germany's economic preparation for war. He stated:

> "Although all the economic and financial departments were harnessed in the tasks and work of the Four Year Plan under the leadership of Generalfeldmarschall Goering, the war economic preparation of Germany has also been advanced in secret in another sector for well over a year, namely, by means of the formation of a national guiding apparatus for the special war economic tasks, which had to be mastered at that moment, when the condition of war became a fact. For this work as well all economic departments were combined into one administrative authority, namely under the General Plenipotentiary for Economy, to which position the Führer appointed me one and a half years ago."
>
> 3324-PS, Berndt and von Wedel, "Germany in the Fight" (Deutschland im Kampf) October 1939, first instalment, p. 62; English translation, p.2.

In his dual capacity of Chief Plenipotentiary for Economics and Minister of Economics, defendant FUNK naturally was advised of the requirements which the conspirators' program of aggression imposed on the economy. Thus during a conference in the Reich Aviation Ministry on 14 October, 1938, under the chairmanship of defendant GOERING, GOERING referred to Hitler's orders for an abnormal increase of armament, particularly weapons for attack, and directed the Ministry of Economics to submit suggestions on how to finance this rearmament by increasing exports. The report of GOERING's remarks states in part:

> "General Field Marshal GOERING opened the session by declaring that he intended to give directives about the work for the next months. Everybody knows from the press what the world situation looks like and therefore the Fuehrer has issued an order to him to carry out a gigantic program compared to which previous achievements are insignificant. There are difficulties in the way which he will overcome with utmost energy and ruthlessness.
>
> The amount of foreign exchange has completely dwindled on account of the preparation for the Czech Enterprise and this makes it necessary that it should be strongly increased immediately. Furthermore, the foreign credits have been greatly overdrawn and thus the strongest export activity--stronger than up to now--is in the foreground. For the next weeks an increased export was first priority in order

H1232 - 0031

to improve the foreign exchange situation. The Reich Ministry for Economy should make a plan about raising the export activity by pushing aside the current difficulties which prevent export.

These gains made through the export are to be used for increased armament. The armament should not be curtailed by the export activity. He received the order from the Fuehrer to increase the armament to an abnormal extent, the air force having first priority. Within the shortest time the air force is to be increased five fold, also the navy should get armed more rapidly and the army should procure large amounts of offensive weapons at a faster rate, particularly heavy artillery pieces and heavy tanks. Along with this manufactured armaments must go; especially fuel, powder and explosives are moved into the foreground. It should be coupled with the accelerated construction of highways, canals, and particularly of the railroads." (Underscoring supplied).

1301-PS: p 41, Report of Conference under Charimanship of defendant GOERING in the Reich Aviation Ministry, 14 October 1938; English translation p. 25.

Defendant GOERING'S words were the words of one already at war. And the emphasis on quintupling the Air Force and accelerating weapon manufacture for attack, were the words of a man waging aggressive war.

As is indicated by Document 1301-PS, defendant FUNK actively participated in the planning of war-time financial measures. This was natural since FUNK, after 1938, occupied three positions crucial to finance: Minister of Economics, President of the Reichsbank (to which he was appointed in January, 1939), and Chief Plenipotentiary for Economics. FUNK's role in war financing is illustrated by Document No. 3562-PS. This document was found in the captured files of the Reich Ministry of Economics. It consists, in part, of a letter, dated 1 June 1939, from the Chief Plenipotentiary for Economics (FUNK), signed on his behalf by Dr. Posse, and transmitting the minutes of a meeting concerning the financing of the war. This meeting had been held under the chairmanship of Dr. Landfried, defendant FUNK's Undersecretary in the Reich Ministry of Economics. The document bears a marginal note in the bottom left hand corner, dated 5 June, stating that the document was "to be shorn to the Minister (i.e. FUNK)". Only

H1232 - 0032

eight copies were made of the Minutes, which were marked "Top Secret", and four of these copies were sent to officials directly subordinate to defendant FUNK (two in the Reich Ministry of Economics, one in the Reichsbank, and one in the Office of the Chief Plenipotentiary for Economics). During the course of the meeting, which was attended by twelve officials, five of whom were directly responsible to FUNK in his various capacities, the conferees discussed a memorandum regarding war finance which had been prepared by the Chief Plenipotentiary for Economics on May 9, 1939. The minutes of this meeting state:

> "Then a report was made of the contents of the 'Notes on the Question of Internal Financing of War', of 9 May of this year (appendix to GBW 8/2179/39 top secret), in which the figures given to me by the Reichs Minister of Finance are also discussed. It was pointed out that the General Plenipotentiary for the Economy is primarily interested to introduce into the legislation for war finance, the idea of financing war expenditures by anticipating future revenues, to be expected after the war . . . . . ."

> "Undersecretary Newman, first, submitted for discussion the question whether the production would be able to meet, to the assumed extent, the demands of the army, especially if the demands of the army, as stated in the above report, would increase to approximately 14 billions in the first three months of war. He stated that, if the production potential of the present Reich territory is taken as a basis, he doubts the possibility of such a production increase." (Underscoring supplied).

3562-PS, Minutes of meeting concerning questions of war finance; pp. 2 and 3 of German document; English translation p. 2.

During the course of the meeting one of the representatives of the High Command stated:

> "The demands of the Army would probably be higher in the first three months of war than during the further course of the war."

Id, p.4; English translation p. 2.

In the files of the Reich Ministry of Economics there was also found, attached to the above letter and minutes, a top secret memorandum entitled "Notes Concerning Financing of War". That memorandum reveals the plans to use the resources of countries to be occupied in the interest of the Nazi war machine. It states:

H1232 - 0033

"First, as concerns the scope of the total production, it is clear that the economic power of the protectorate and of other territories, possibly to be acquired, must of course be completely exhausted for the purposes of the conduct of the war. It is, however, just as clear that these territories cannot obtain any compensation from the economy of Greater Germany for the products which they will have to give us during the war, because their power must be used fully for the war and for supplying the civilian home population."

Id, p.7; English translation p.3.

It is plain that defendant FUNK exercised comprehensive authority over large areas of the German economy whose proper organization and direction were critical to effective war preparation. The once powerful German military machine which rested on the foundation of thorough economic preparation reflected the contribution which defendant FUNK had made to Nazi aggression.

Immediately before this machine was directed against Poland, the final preparatory steps were taken and the previous appointment of FUNK as Chief Plenipotentiary for Economics was made public. Thus on 27 August 1939, FUNK, in this capacity, issued two decrees, one introducing general rationing of consumers' goods, the other setting up regional economic authorities.

Reichsgesetzblatt 1939, I, pp. 1495 and 1498.

Finally, on 30 August 1939, Hitler, Goering and Lammers signed a decree, establishing the Ministerial Council for Reich Defense, composed of defendants GOERING, FUNK and HESS among others, to act as a War Cabinet.

Reichsgesetzblatt 1939, I, p.1739.

Defendant FUNK mobilized the German economy for war with full knowledge of the plans for military aggression. An irresistible inference of such knowledge arises from the combination of several factors: from FUNK'S long and intimate assocation with the Nazi inner cirlce, from the very nature of his official functions, from the war-dominated setting of Nazi Germany, from the fact that force and the threat of force had

H1232 - 0034

become the open and primary instruments of Nazi policy, and finally from the fact that at the same time that FUNK was making economic preparations, specific plans for aggression - later to be carried out - were being formulated, plans which could only be effective if they were synchronized with the complementary economic measures.

The foregoing argument, like most arguments regarding knowledge and intent in the law, may be said to be inferential. But the inference is, as has been stated, an irrestible one. Moreover, the argument is reinforced beyond any question by considering, in the light of the factors described above, the more specific and direct evidence of defendant FUNK's knowledge of the aggressive plans. Thus, FUNK, at the very beginnings of the Nazi Government, had stated that the absorption of Austria by Germany was a political and economic necessity and that it would be achieved by whatever means were necessary.

1760-PS, Affidavit by Mr. Messersmith; 28 August 1945, pp.2-3.

Official transcript, 28 November, 1945, pp.474-475.

Reference has already been made to Document No. 1301-PS (supra, pp.24-25) which shows that GOERING issued instructions to the Ministry of Economics - in the language of a man waging aggressive war. Moreover, Document No. 3562-PS (supra, p. 26) revealed that defendant FUNK and his subordinates in May of 1939 were making detailed plans for financing the war, that is, a particular war, the war against Poland. In connection with FUNK's economic planning for aggression, reference should be made to another vital item of evidence which relates to the preparatory work which FUNK carried on prior to the aggression against Poland. Shortly before the attack on Poland, in a letter to Hitler, dated August 25, 1939, he expressed his gratification for his role in the "tremendous events" of these days and his thanks for Hitler's approval of his economic war measures and gave Hitler his pledge in "that hour". The text of the letter is as follows:

H1232 - 0035

"Reich Minister Walther Funk. Berlin W. 8, August 25, 1939.
Unter Den Linden 13.

My Fuehrer:

For the Congratulations which you transmitted to me on my birthday, in such extremely friendly and kind fashion, I want to thank you from the depths of my heart. How happy and how grateful we must be to you to be favored to experience these colossal and world-moving times, and that we can contribute to the tremendous events of these days.

General-Field-Marshal Göring informed me, that last night you - my Fuehrer - have approved in principle the measures prepared by me for financing the war, for setting up the wage and price systems and for carrying out the plan for an emergency contribution (Notopfer). This news has made me deeply happy. I hereby most obediently report to you that I have succeeded, through the provisions made already during the last month, to make the German Reichsbank internally so strong and so safe against attack from without that even the most serious disturbances of the international currency and credit systems would be absolutely unable to affect us.

In the meantime I have in a wholly inconspicuous manner converted into gold all assets of the Reichsbank and of the German economy abroad on which we could possibly lay hands. With the proposals worked out by me regarding a ruthless choking of any unessential consumption and any public expenditure and project not necessary for war we will be able to meet all financial and economic demands without any serious reverberations.

In my capacity as General Plenipotentiary for Economics, appointed by you, my Fuehrer, I have regarded it as my duty to give you this report and this pledge in this hour.

Heil, my Fuehrer

Signed: Walther Funk".

(Underscoring supplied)

699-PS, GB, Ex. 49, Letter from FUNK to Hitler, August 25, 1939.

Defendant FUNK both personally and through duly designated representatives also participated in the planning which preceded the aggression against the USSR. Thus, in April of 1941, defendant ROSENBERG, after he had been appointed deputy for centralized treatment of problems concerning the Eastern Territories, discussed with defendant FUNK the economic problems which would be raised when the plans for aggression in the East were carried out.

1039-PS, U. S. Ex. 146, copy of a report concerning preparatory work regarding problems in Eastern Territories, dated 28 June, 1941, found in defendant ROSENBERG's "Russian File", p. 1.

H1232 – 0036

At that time FUNK appointed Dr. Schlotterer as his deputy to work with ROSENBERG in connection with the exploitation of the Eastern Territories. FUNK's deputy met with ROSENBERG almost daily.

After the launching of the Nazi aggression against Poland, defendant FUNK, in his capacities as Minister of Economics, President of the Reichsbank and Chief Plenipotentiary for Economics, and as a member of the Central Planning Board (to which he was appointed in September 1943), actively participated in the waging of aggressive war on the economic front. Moreover, by virtue of his membership in the Central Planning Board, which formulated and directed the execution of the program for the enslavement, exploitation and degradation of millions of foreign workers, defendant FUNK shares special responsibility for the Nazi Slave Labor Program.

Official Transcript, 12 December, pp. 1309, 1310, 1313;
13 December 1945, p. 1389).

It is understood that the French prosecution will deal with this aspect of FUNK's special responsibility, in detail.

H1232 - 0037

D. ARGUMENT AND CONCLUSION

The evidence, it is submitted, has made it clear that defendant FUNK was a central figure in the Nazi conspiracy, and that, as a member of the Nazi inner circle, he helped formulate, was aware of, and promoted the realization of the conspirators' program. He knew, moreover, that this program envisaged the use of ruthless terror and force within and, if necessary, outside of Germany, and that it contemplated violations of the laws of humanity and the laws of peace. Defendant FUNK, by promoting the conspirators' accession to power and the realization of their program, signified his approval of such violations.

The evidence has also established that, after the Nazi seizure of power, defendant FUNK promoted the achievement of the conspirators' program by acts which were violations of the laws of humanity and the laws of peace. He violated the laws of humanity and the laws of peace by virtue of his activities in the Ministry of Propaganda, activities which fomented and carried out the ruthless persecution of Jews and dissidents, which psychologically mobilized the German people for aggressive war, and which reduced the willingness and capacity of the conspirators' intended victims to resist aggression. He also violated the laws of humanity by participating, as Minister of Economics, in the formulation and execution of the policy calling for the complete elimination of the Jews from the German economy.

As Minister of Economics, President of the Reichsbank, and Chief Plenipotentiary for Economics, he was guilty of additional violations of the laws of peace, because he mobilized the German economy for aggressive war, with full knowledge of the conspirators' plans for aggression. Moreover, in these capacities, and as a member of the Ministerial Council for the Defense and the Central Planning Board, he also actively participated in the waging of aggressive wars. Finally, by virtue of his membership in the Central Planning Board, which formulated and directed the execution of the program for the enslavement, exploitation, and degradation of millions

H1232 - 0038

of foreign workers, he bears a special responsibility for the war crimes committed in the execution of that program.

H1232 – 0039

APPENDIX "A"

H1232 - 0040

TRANSLATION OF DOCUMENT NO. 3533-PS
OFFICE OF U. S. CHIEF OF COUNSEL

I hereby certify that I had the following positions and activities:

(a) Member of the Nazi Party - 1931-1945

(b) (Personal economic adviser of Hitler - 1931) did not exist *

(c) Chief of Division of the Central Nazi Party Directorate in charge of private economy, Munich 1932. only a few months *

(d) Chairman of the Committee of the Nazi Party on Economic Policy - December 1932 to January 1933.

(e) (Deputy Chairman of the Reich Economic Council of the NSDAP) - 1931). I don't know that. *

(f) National Socialist Deputy to the Reichstag - July 1932 - February 1933.

(g) Press Chief of the Reichsregierung - 30 January 1933 to 1937.

(h) Under-Secretary of the Reich Ministry for Public Enlightenment and Propaganda - 1 March 1933 to 1937.

(i) Vice-president of the Reich Chamber of Culture. 1933 to 1945.

(j) Member (and vice-president) of the Reich Senate for Culture 1933-1945 *

(k) Vice-president of the Film Credit Bank - 1933.

(l) Chairman of the Administrative Council of the Board concerning Advertising by German Business - 1933-1937.

(m) Chairman of the Board of Directors of the Reich Broadcasting Company - 1933-1937.

(n) Reich and Prussian Minister of Economics - 1938-1945.

(o) Member of the Prussian State Council. 1938-1945.

(p) Chief Plenipotentiary for Economics - appointed 1938 since December 1939 restricted to Ministry of Economics and Reichsbank *

(q) President of German Reichsbank - 19 January 1939 to 1945.

(r) Chairman of the Board of Directors of the Deutsche Golddiskontbank 1939-1945.

(s) Member of the Ministerial Council for the Defense of the Reich 1939-1945.

(t) Chairman of the Board of Directors of the Continental Oil Company - 1941-1945.

(u) Member of the Central Planning Board - September 1943 to 1945.

signed Sauter
lawyer

I can only sign this document with the deletions and changes I made *

21 Dec.

Sign.

* the interlineations and comments were inserted by Defendant Funk
() Indicates parts deleted by Defendant Funk

H1232 - 0041

Excerpts from German Publications Concerning Defendant Funk's Positions and Activities.

With respect to the positions and activities which are listed on Document 3533-PS, but to which Defendant Funk refused to stipulate, statements from relevant German publications are submitted below, with a request that the Tribunal take judicial notice of those publications:

"(b) Personal Economic Adviser of Hitler"

(1) A book published in 1932 by Edgar v. Schmidt-Pauli entitled "The Men around Hitler" (Die Männer um Hitler) devotes a chapter to Funk (pp. 92 - 96) under the heading "Walther Funk - the Adviser on Economic Policy". (Walther Funk - Wirtschaftspolitischer Berater). It is stated on page 92 of this book :

> "Walther Funk, today the personal adviser of Hitler on Economic Policy, the man, foremost, who establishes personal contacts between the Fuehrer of the NSDAP and the economic leaders in the Reich".

(2) In the German "Who's Who" (Wer Ist's?) published in 1935 (Document 3499-PS), the chapter on Defendant Funk (at p. 463) contains the following statement:

> "Since 1931, Economic Adviser to Fuehrer of NSDAP".

(3) In the German Fuehrer Who's Who, 1934/35 (Das Deutsche Fuehrerlexikon, 1934/35) published in 1934 (Document No. 3499-PS), it is stated with respect to defendant Funk (at p. 139):

> "1 July 1916, editor of the "Berliner Boersen-zeitung"; 1922, editor-in-chief till end of 1930; since then economic adviser to the Fuehrer of the NSDAP;"

The title page of that book states:

> "No objections are raised by the NSDAP to the publication of this book; Munich 15 June 1934".

Moreover, the book's preface, which was signed by the publisher and the editors, states (at p. 12):

> "It would have been impossible for us to perform the task which we set ourselves if we would not have gone about the publication of the book by co-operating with the competent official authorities."

(4) In a book by Paul Oestreich, entitled "Walther Funk, a Life for the Economy" (Walther Funk, Ein Leben fuer die Wirtschaft), 1941 (Document No. PS-3505), published by the Central Publishing House of the Nazi Party, the following statement appears (at p. 80):

> "The Fuehrer had made up his mind already, immediately after Funk's connection with the Boersen Zeitung on 31 December 1930 was severed, he appointed him a member of the Reich leadership of the party and chose him as his personal economic adviser. This was proof of his greatest confidence."

H1232 - 0042

"(e) Deputy Chairman of the Reich Economic Council of the NSDAP."

(1) The German Fuehrer Who's Who 1934/35 (Das Deutsche Fuehrerlexikon, 1934/35) (Document No. PS-3489) states (at p. 139):

> "1 July 1916, editor of the "Berliner Boersen-zeitung"; 1922, editor-in-chief till end of 1930; since then economic adviser to the Fuehrer of the NSDAP; main department leader with the Reich leadership in Munich and chairman of the Commission for Economic Policy as well as deputy chairman of the Council for Reich Economy of the NSDAP".

(2) The official National-Socialist Yearbook (National-sozialistisches Jahrbuch) 1933, published in cooperation with the Reich leadership of the NSDAP, contains a description of the Reich Economic Council of the NSDAP, and states (at p. 350):

> "Second Chairman of the Reich Economic Council: Walther Funk".

"(j) Vice-President of the Reich Senate for Culture"

The "Reichsband", the official encyclopedic reference work listing all offices of the Party, of the Government, and of the professional organizations, 3rd edition, 1941/42, states on page 9 of its chapter on "Berufsorganisationen" (professional organizations):

> "Members of the Reich Senate for Culture
> . . . . . .
> Vice-Presidents: Reichsminister Walther Funk
> and Under-Secretary Karl Hanke".

CERTIFICATE OF TRANSLATION
OF DOCUMENT NO. 3563-PS

3 January 1946.

I, LEO LOEB, Civilian, hereby certify that I am thoroughly conversant with the German and English languages, and that the above excerpts from the German publications are true and correct translations of the German originals.

LEO LOEB.

III